

Message Text

CONFIDENTIAL

PAGE 01 LONDON 10678 201744Z

70

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 PA-04 PRS-01 USIA-15 XMB-07

FEA-02 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-03 COME-00

DODE-00 FPC-01 H-03 INR-11 INT-08 L-03 NSAE-00 NSC-07

OMB-01 PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08

TRSE-00 FRB-03 DRC-01 /197 W
----- 129276

R 201733Z AUG 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3177

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

USMISSION OECD PARIS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 10678 201744Z

C O N F I D E N T I A L L O N D O N 10678

DEPT. PASS TREASURY AND CIEP

E.O. 11652: GDS

TAGS: EINV, ENRG, OPEC, OECD

SUBJECT: FOREIGN DIRECT INVESTMENT BY OIL PRODUCING
NATIONS

REF: STATE 178868

1. AFTER TALKING WITH OFFICIALS AT THE FCO AND HM
TREASURY, IT HAS BEEN CONFIRMED THAT THE UK'S POLICY TO-
WARDS FOREIGN DIRECT INVESTMENT BY OIL PRODUCING NATIONS
IS ONE OF WELCOMING SUCH INVESTMENT. THE U.K. HAS
RECENTLY REVIEWED AND CONFIRMED ITS POLICY TOWARDS IN-
WARD DIRECT INVESTMENT AND WHILE WELCOMING IT, DOES LOOK
AT EACH PARTICULAR CASE ON ITS OWN MERITS. INVESTMENTS
FROM OIL PRODUCING NATIONS ARE NOT GIVEN SPECIAL TREAT-
MENT. BASICALLY, INFLOWS ARE SEEN AS DESIRABLE FOR
BALANCE OF PAYMENTS REASONS, AND COULD HELP IN PROVIDING
MUCH-NEEDED STIMULUS TO THE BRITISH ECONOMY. HOWEVER,
THE U.K. WOULD BE PREPARED TO RESTRICT INFLOWS FOR
REASONS OF NATIONAL SECURITY, OR IF FOREIGN INTERESTS
WERE TAKING OVER CERTAIN INDUSTRIES THAT ARE CONSIDERED
"SENSITIVE" OR IMPORTANT FOR BRITISH NATIONAL PRESTIGE.

2. WE BELIEVE THE UK WOULD NOT OBJECT TO INCREASED US
EFFORTS TO PROMOTE DIRECT INVESTMENT IN US BY OPEC STATES
AS LONG AS SUCH EFFORTS DID NOT UNILATERALLY GO AGAINST
THE SPIRIT OF COMMITMENTS MADE IN BOTH THE ECG AND THE
XCSS OF OECD. MOREOVER, WE BELIEVE THE UK WOULD NOT
OBJECT TO A US MOVE TO IMPOSE RESTRICTIONS ON OPEC IN-
VESTMENTS SUCH AS THE TYPE MENTIONED IN PARA 1 ABOVE.
UPPERMOST IN BRITISH MINDS IS THE NEED TO DEVELOP APPRO-
PRIATE MECHANISMS - WHETHER NATIONAL, BILATERAL OR MULTI-
LATERAL-FOR MAXIMIZING THE INDUSTRIALIZED WORLD'S CAPACI-
TY TO RECYCLE EXCESS OPEC REVENUES. ASSUMING UK WAS
ASSURED CONTINUED ACCESS TO US CAPITAL MARKETS, MORE
ACTIVE PROMOTION OF OPEC DIRECT INVESTMENT IN US WOULD BE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 10678 201744Z

ACCEPTABLE.

SOHM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, PETROLEUM PRODUCTION, FOREIGN INVESTMENTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 20 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON10678
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740229-0699
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740834/aaaabcny.tel
Line Count: 110
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 178868
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAR 2002 by shawdg>; APPROVED <15 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOREIGN DIRECT INVESTMENT BY OIL PRODUCING NATIONS
TAGS: EINV, ENRG, US, OPEC, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005